

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

BLOCKCHAIN MINING SUPPLY AND
SERVICES LTD.,

Plaintiff,

—against—

SUPER CRYPTO MINING, INC. n/k/a
DIGITAL FARMS, INC. and DPW
HOLDINGS, INC. n/k/a AULT ALLIANCE,
INC.,

Defendants.

Civil Action No. 1:18-cv-11099-ALC

EXHIBIT F

**TO THE DECLARATION OF RICHARD S. MANDEL IN SUPPORT
OF PLAINTIFF'S MOTION FOR SUMMARY JUDGMENT**

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Fiscal Year Ended December 31, 2020

Commission file number 1-12711

AULT GLOBAL HOLDINGS, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

94-1721931

(I.R.S. Employer Identification Number)

11411 Southern Highlands Pkwy, Suite 240,
Las Vegas, NV

(Address of principal executive offices)

89141

(Zip Code)

(949) 444-5464

(Registrant's telephone number, including area code)

Securities registered under Section 12(b) of the Act:

Title of Each Class

Common Stock, \$0.001 par value per share

Name of each exchange on which registered

NYSE American

Securities registered under Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act. Yes ☐ No ☒Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding year (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐Non-accelerated filer ☐Emerging growth company ☐Accelerated filer ☐Smaller reporting company ☒If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of June 30, 2020, the aggregate market value of the registrant's common stock held by non-affiliates of the registrant was \$13,335,311 based on the closing sale price as reported on the NYSE American of \$2.45. Such determination should not be deemed an admission that the registrant's directors, officers, or 10% beneficial owners are, in fact, affiliates of the registrant.

There were 49,498,676 shares of common stock outstanding as of April 14, 2021.

Documents incorporated by reference: None

Exhibit 8

AULT GLOBAL HOLDINGS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 2020

Recently Issued Accounting Standards

In December 2019, the FASB issued ASU No. 2019-12, “Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes (“ASU 2019-12”), which is intended to simplify various aspects related to accounting for income taxes. ASU 2019-12 removes certain exceptions to the general principles in Topic 740 and also clarifies and amends existing guidance to improve consistent application. This guidance is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2020, with early adoption permitted. The Company is currently evaluating the impact of this standard on its consolidated financial statements and related disclosures.

4. DISCONTINUED OPERATIONS AND DECONSOLIDATION OF I.A.M

On March 16, 2020, to try and mitigate the spread of COVID-19, San Diego County health officials issued orders mandating that all restaurants must end dine-in services. As a result of these temporary closures and the deteriorating business conditions at the Company’s restaurant businesses, during the first quarter of 2020, the Company concluded that discontinuing the operations of I.A.M was ultimately in its best interest. In addition, during the first quarter of 2020, due to deteriorating business conditions in the cryptocurrency mining sector, the Company ceased operations at Digital Farms. The Company’s decision to cease cryptocurrency mining operations in 2020 was based several factors, which had negatively affected the number of active miners the Company operated, including the market prices of digital currencies at the time, power cost considerations available to Digital Farms, and a significant increase in the difficulty of mining blocks of cryptocurrency.

Digital Farms was established to pursue a variety of digital currencies and mined the top three cryptocurrencies for its own account. Although the Company has ceased operations at Digital Farms, since the assets and operations have not yet been abandoned, sold or distributed, these assets do not yet meet the requirement for presentation as discontinued operations. In the first quarter of 2020, management determined that the permanent closing of the restaurant operations met the criteria for presentation as discontinued operations. Accordingly, the results of the restaurant operations are presented as discontinued operations in our consolidated statements of operations and comprehensive loss and are excluded from continuing operations for all periods presented. In addition, the assets and liabilities of the restaurant operations are classified as held for sale in our consolidated balance sheets for all periods presented.

On November 2, 2020, I.A.M filed a voluntary petition for bankruptcy under Chapter 7 in the United States Bankruptcy Court in the Central District of California, Santa Ana Division, case number 8:20-bk-13076. As a result of I.A.M’s bankruptcy filing on November 2, 2020, Ault Global ceded authority for managing the business to the Bankruptcy Court. For this reason, the Company concluded that Ault Global had lost control of I.A.M, and no longer had significant influence over I.A.M. Therefore, the Company deconsolidated I.A.M effective with the filing of the Chapter 11 bankruptcy in November 2020 and recorded a gain on deconsolidation of 2,358,992.

The following tables summarize the major classes of assets and liabilities included as part of discontinued operations as of December 31, 2019:

	<u>December 31, 2019</u>
Current assets	
Cash and cash equivalents	\$ 5,170
Accounts receivable	83,885
Inventories, net	60,341
Prepaid expenses and other current assets	131,956
Total current assets classified as held for sale	<u>281,352</u>
Property and equipment, net	504,802
Right-of-use assets	1,098,466
Total assets classified as held for sale	<u>\$ 1,884,620</u>
Current liabilities	
Accounts payable and accrued expenses	\$ 881,601
Operating lease liability, current	229,574
Other current liabilities	482,375
Total current liabilities classified as held for sale	<u>1,593,550</u>
Long term liabilities	
Operating lease liability, non-current	951,072
Total liabilities classified as held for sale	<u>\$ 2,544,622</u>